328.8 लाख टन रही है। 1997-98 के दौरान अपरिष्कृत इस्पात की उत्पादित मात्रा 247.1 लाख टन थी।

Shortfall in Steel output

121. DR. D. VENKATESHWAR RAO: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that steel output has fallen;

(b) the specific reasons that can be attributed for this shortfall;

(c) whether demand for steel in the country is going up; and

(d) the manner in which Government propose to meet the demand for steel in future?

THE MINISTER OF STEEL AND MINES (SHRI NAVEEN PATANIK): (a) No, Sir. Finished (carbon) steel production in 1997-98 has increased marginally by 2.8% as compared to 1996-97.

(b) Does not arise in view of (a) above.

(c) The demand for finished (carbon) steel and percentage increase in the last 3 years has been as follows:—

(Qty. in million tonnes)

Year	Demand	%increase over previous year
1995-96	21.29	14.09%
1996-97	22.12	3.89%
1997-98	22.63	2.30%

(d) At present, there is no shortage of most items of steel. Producers of steel are constantly orienting their product-mix to meet the market needs. Modernisation and expansion of steel plants of SAIL has been taken up towards this objective. Since 1991, Govt. has adopted various policy measures to encourage creation of additional steel production capacities in the private sector. To supplement domestic availability both in terms of quantity and quality, import of all items of steel is freely allowed as per policy.

Huge losses by SAIL

122. SHRI JANARDHANA POOJARY: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether SAIL has incurred huge losses during the last year and so far during the current year, if so, the amount of loss incurred;

(b) the reasons for the losses; and

(c) the measures Government have taken/ propose to take to cut down losses?

THE MINISTER OF STEEL AND MINES (SHRI NAVEEN PATNAIK): (a) Steel Authority of India Limited (SAIL) had earned a Net Profit (before tax) of about Rs. 149 crores in the year 1997-98. However, in the first half of current year SAIL has incurred a loss of about Rs. 617 crores.

(b) The main reasons for decline in profits in SAIL include show down in demand for steel, greater competition from imports, and enhancement in supplies in domestic market etc. Further, the profits were adversely affected due to increase in input prices and higher interest cost which could not be fully neutralised by better techno-economic parameters, cost reduction measures and increase in the prices of steel, etc.

(c) Government has taken following steps to improve the profitability of steel industry and to overcome the present problems:—

(i) To boost the demand and consumption of steel, the Development Commissioner for Iron & Steel (DCI&S) has launched a National Campaign for increasing the demand for steel, especially in non-traditional sectors, such as, rural and agro based industrial sector.

(ii) To reduce input costs for steel making, the special import duty on several inputs such as coking coal (ash content 12%), non-coking coal (ash content <12%), metallurgical coke, ferro nickel, charge nickel and nickel and nickel oxide sinters, low silica limestone and graphite electrodes (>28") has recently been waived.

(iii) Anti-dumping duty on Hot Rolled coils imported from Ukraine and Russia has recently been recommended. Steps are being taken for Strengthening of anti dumping investigative machinery.

(iv) Rationalisation of Duty Entitlement Pass book (DEPB) rates for steel exports have been carried out to boost exports.

(v) A Steel Exporters Forum has been set up to help steel exporters overcome bottlenecks in exports.

(vi) Enhanced project financing to steel sector by All India Financial Institutions and relaxation of ECB norms has been strongly recommended.

(vii) Government has set up an Empowered Committee to examine and assist specific Research and Development Projects to improve technology for steel making and enhance quality of Indian Steel.

Recession in Steel Industry

123. SHRI JANESHWAR MISRA:
SHRI S.M. KRISHNA:
SHRI AMAR SINGH:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that the steel industry is passing through deep recession, if so, the reasons therefor; and

(b) the steps Government have taken in the last six months to revive the industry and the details of achievements made in this regard?

THE MINISTER OF STEEL AND MINES (SHRI NAVEEN PATNAIK): (a) Several factors have contributed to the present slow down of the steel sector. Some of these factors are:

(i) Sluggish demand in the steel consuming sectors especially infrastructure and industrial production.

(ii) Overall economic slow down in the country.

(iii) Cost escalations in input materials for steel industry.

(iv) Continuous increase in excise duty on steel.

(v) Dumping of finished steel from CIS and other countries.

(vi) Adverse conditions in export market for steel.

(vii) Decline in domestic and international prices.

(b) The details of the steps taken by the Government and some of the results achieved to enable the steel industry to overcome the present problems are as under:—

(i) To boost the demand and consumption of steel, the Development Commissioner for Iron and Steel (DCI&S) has launched a National Campaign for increasing the demand for steel, especially in non-traditional sectors, such as rural and agro based industrial sector.

(ii) Reduction in input costs for steel making was strongly recommended. Recently the special import duty on several inputs such as coking coal (ash content<12%) non-coking coal (ash content <12%) metallurgical coke, ferro nickel, charge nickel and nickel oxide sinters, low silica limestone and graphite electrodes (>28") has been waived.

(iii) Strengthening of anti-dumping mechanism was strongly recommended. An anti-dumping petition was filed by M/s SAIL and M/s Essar Steel Ltd., on behalf of the domestic steel producers alleging dumping of HR Coils/Sheets/Plates from Russia, Ukraine and Kazakistan. The Designated Authority vide their notification dated 18th November, 1998 has reccommended imposition of Anti-dumping duties on imports from Russia & Ukraine, which shall be the difference between the amount mentioned in column 3 below and the landed price of imports per MT subject to a minimum of Rs. 481 per MT.

S. No.	Item Description	Amount (Rs. per MT)
1.	Hot Rolled Coils	14300
2.	Hot Rolled Strips/Sheets/Plates	15000
3.	Boiler Quality Plates	22000

(iv) Rationalisation of Duty Entitlement Pass Book (DEPB) rates for steel exports have been carried out to boost exports.

(v) A Steel Exporters' Forum has been set up to help steel exporters overcome bottlenecks in exports.

(vi) Enhanced project financing to steel sector by All India Financial Institutions and relaxation of ECB norms has been strongly recommended.